



Director of
Central
Intelligence

~~Secret~~

25X1

National Intelligence Council

NIC Outlook

MASTER FILE COPY
DO NOT GIVE OUT
OR MARK ON

~~Secret~~

NIC NO 86-002
March 1986

Copy **74**

Page Denied

SECRET

25X1

NIC OUTLOOK

Recent intelligence reflected in this Outlook points up:

- The implications of a possible Iranian victory over Iraq.
- The possibility that the Soviets will counter any US demonstrations of SDI technology with demonstrations of their own.

25X1

1. *The Implications of a Possible Iranian Victory Over Iraq.*

The possibility of some kind of Iranian victory is on the increase, despite Iraq's continuing massive advantages in firepower and materiel, and even though internal pressures and the weight of the war effort may yet bring down the Tehran regime. If an Iranian victory did occur, there could be profound implications in the region and beyond.

- *The possibility of Iraqi defeat.* No sudden breakthrough or Iranian march on Baghdad is likely, but the prospects for an Iraqi victory are growing extremely remote, in view of *Iran's present advantages*:
 - *The taking and holding of Al Faw.* Iran's performance thus far—and Iraq's ineffectual response—constitute a significant victory for Tehran, militarily and symbolically. The longer Iran holds Al Faw, the greater the psychological-political pressure on Iraqi President Saddam Husayn.
 - *Iraq has ceded the military initiative to Iran.* Saddam's objective is to *end* the war, while Khomeini's is to *win* the war by bringing down Saddam. Saddam has thus far yielded even the tactical initiative to Iran, allowing it to choose the time and place for its battles. These forfeitures, combined with Iraq's stifling system of political control and central decision-making, discount the value of Baghdad's technological superiority.
 - *Iran's military conduct is improving; Iraq's is not.* Iranian forces have shown a steadily improved ability to coordinate movement, to conceal attack indicators, to capitalize on success, and to get results from poorly trained troops. By contrast, Iraq's military professionalism remains poor at command levels, corrective measures have been ineffectual, and Iraq has tended to hoard its most capable systems.

SECRET

25X1

- *The Iraqi social-political system is more brittle than Iran's.* By maintaining the initiative, Iran has the luxury of being able to gauge the public mood before heating up operations and can back off, if necessary, to prevent unacceptable domestic repercussions. By contrast, Iraq has a significant disadvantage in available manpower, it is extremely sensitive to casualties, and a significant setback or prolonged period of high casualties would exert extreme pressure on Saddam.
- *The possible regional consequences of an Iranian victory.* The consequences of an Iranian victory would depend on the way it had been achieved, with possible scenarios including a partial military victory by Iran; a negotiated settlement in Iran's favor; and a decisive military victory that toppled Saddam and, possibly, paved the way for establishing a radical Shia regime in Baghdad. If the prospects for an Iranian victory of some kind continue to improve, some of the *principal possible regional consequences will include:*
 - The Persian Gulf states and other Arabs would have to increase their involvement or accept Iraqi defeat—with the prospect of a radical Islamic state emerging as the most important regional actor.
 - Syria's support for Iran, which springs from a specific set of converging interests, stops far short of contributing to the establishment of an Islamic republic in Iraq. Syria could conceivably allow its support to be bought by other Arabs if they were all confronted by the longer term implications of a decisive Iranian victory.
 - If a fundamentalist state were established in Iraq, or if a long-term political vacuum in Baghdad seemed inevitable, Kuwait, Saudi Arabia, and the other Gulf states would become hypersensitive to their heightened vulnerability from both internal and external sources. Kuwait, in particular, would be totally reliant upon foreign support against Iran and the new Iraq.
 - After the successful conclusion of the war, Iran would clearly be the dominant regional actor. Although Iran would face a long period of rebuilding its economy and rearming, it need not turn inward. Using the threat of military action, subversion, terrorism, and the questionable hold on power of many regional regimes, it would define a role for itself not unlike Qadhafi's in North Africa. Iran would also emerge as a more major concern for Israel—especially with respect to terrorism.

SECRET

25X1

- Iran seems already destined to be the paramount Gulf power in view of its high degree of success with minimal resources against a vastly better armed and financed regime. Once rearmed after even a stalemated Gulf war, Iran will probably be the preeminent force to be reckoned with in the region.
- *The possible consequences for the USSR of an Iranian victory of some kind.* A treaty partner and one of Moscow's few Arab associates, Iraq is a significant Soviet asset in the region. Its defeat would be a definite loss to the USSR's regional strategic position and image, and—depending on the nature of Iraq's defeat—could seriously complicate Soviet policies in the region.
- The worst case outcome for the Soviets would be a collapse, on Iraq's part, which produced a radical Islamic regime in Baghdad, further intensified Soviet-Iranian frictions, and caused frightened Gulf states to invite a greater US military presence into the region.
- To forestall such prospects the USSR would almost certainly bring a panoply of pressures to bear on Iran in an attempt to constrain it from pushing to total victory. It is unlikely that Moscow would send military forces into Iraq, except perhaps in token form. Moscow nonetheless would probably sharply increase arms supplies to Iraq, and possibly exert military pressures against Iran's northern borders.
- Were the Baghdad regime to collapse so rapidly that Moscow could not effectively bring the above restraints to bear on Iran, then Soviet policy might even take a course opposite to the above: that is, roll with the punch and try to strike a new accord with Iran, the newly dominant regional power.
- Whatever the nature of Iran's victory, however, Moscow's principal aim would be to prevent the United States from increasing its influence and military presence in the region. To that end, Soviet tactics would almost certainly include efforts to develop a continuing dialogue with Washington on future security in the region.
- Hence a continuing central aspect of the Iraq-Iran war will be that neither superpower wants Iran to win, because this would bring on an unavoidable test as to which is the more able and ready to provide Gulf security. Nor could either readily afford to permit the other to profit from the radically changed situation Iraq's defeat would create in the region.

SECRET

25X1

2. *The Possibility That the Soviets Will Counter Any US Demonstrations of SDI Technology With Demonstrations of Their Own.*

Even though available evidence does not clearly indicate whether the Soviets would or would not carry out demonstrations,¹ the political consequences of such Soviet demonstrations could be pronounced if Moscow *did* so act.

- If, for example, in the next few years the United States conducted such large-scale demonstrations as free electron laser, particle beam, or additional kinetic energy experiments, Moscow's leaders might calculate that the various political constraints on their replying in kind were outweighed by the opportunity to display Soviet technological prowess, to demonstrate that the United States cannot gain "superiority," and to try to erode the American will to pursue SDI in the face of matching Soviet competition.
- Whether or not Moscow chose to publicize its demonstrations, Soviet claims for the level of weapon capabilities achieved would be difficult to evaluate, because our ability to monitor the details of some types of demonstrations would be limited.
- The Soviets would in any case not have to scramble to patch together a response to a US SDI technology demonstration, but would almost certainly take something from their own programs already well under way and put a political spin on it to serve their campaigns against SDI. Candidates for such possible Soviet demonstrations would include:
 - Specific countermeasures to SDI—designed to create the perception of reduced SDI effectiveness (such as fast-burn boosters, decoys).
 - Techniques for suppressing or attacking space-based elements of an SDI system—designed to heighten US concern about the vulnerabilities of SDI (such as new antisatellite—ASAT—technologies, either ground- or space-based).
 - Advanced technologies comparable to US SDI—designed to show Soviet prowess in this area. The intent—ASAT or ballistic missile defense—could be ambiguous (for example, laser technologies).

25X1

SECRET

25X1

- If the Soviets were to follow such a general course of action, they would probably be inclined to go for some sort of demonstration in space, even if the system used had clearly limited capability as a weapon, because of the political impact this would have. One such option would be a dramatic demonstration of ASAT capabilities, along with a threat that the USSR will not allow the United States to achieve a unilateral advantage in so-called “space strike arms.”
- We stress, however, that the Soviets would have to choose carefully just which specific capabilities to demonstrate (or to claim that had been demonstrated)—so as not to undercut Soviet political campaigns against SDI, or to hand US authorities an easy downplaying of the particular Soviet accomplishment.
- We view the chances as being at least even that the Soviets will counterdemonstrate in some fashion, in the event there have been prior dramatic US demonstrations.
 - There is ample precedent for this type of behavior by the Soviets: in recent years, they have responded to US INF deployments with countermoves of their submarines and short-range missiles, and they have not been reluctant to publicize their accomplishments in manned space flights.
 - The stakes for the Soviets in this case would be high, and the opportunity to further inject themselves into the Western political debate on SDI might be too tempting for the Soviet leadership to pass up.
- On balance it is more likely that the Soviets would carry out a counter-SDI, rather than an SDI-like, demonstration, in an attempt to develop a perception by the US public and Congress that SDI could be overcome.
- A Soviet demonstration to counter SDI would probably be just as likely whether or not the United States continues to demonstrate new technologies.
- The Soviets might consider the US election year 1988 to be an appropriate time to have maximum effect on the US public.

25X1

Page Denied

Secret



Secret